

Kevin J. Nash
Evan M. Lazerowitz
Goldberg Weprin Finkel Goldstein LLP
1501 Broadway, 22nd Floor
New York, New York 10036
Telephone: (212) 221-5700
Facsimile: (212) 335-4501

Proposed Counsel for the Debtor

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

Joyce Leslie, Inc.,

Debtor.

Chapter 11

Case No. 16- 22035 (RDD)

**NOTICE OF SECOND AUCTION RELATING TO SALE OF DEBTOR'S LEASES
AND INTELLECTUAL PROPERTY AND NOTICE OF HEARING TO CONSIDER
THE DEBTOR'S ENTRY INTO A PROPOSED STALKING HORSE SELECT LEASE
PURCHASE AGREEMENT WITH MADRAG, AUTHORIZING REVISED BIDDING
PROCEDURES AND AUCTION AND SCHEDULING SALE HEARING AND
APPROVING NOTICE THEREOF**

PLEASE TAKE NOTICE THAT on January 14, 2016, Joyce Leslie, Inc. (the "Debtor") filed a bifurcated motion (the "Motion")¹ for an order authorizing entry² into a Stalking Horse Asset Purchase Agreement (the "Select Lease Purchase Agreement") dated January 14, 2016 with 618 Main Street Corp. an affiliate of Madrag/10 Spot Clothing, Inc. (herewith, "Madrag"), providing for the sale of a minimum of 12 designated leases, and up to a total of 20 designated leases following completion of the ongoing store liquidation sales; (b) authorizing the revised bidding procedures for the auction to consider higher and better proposals for the sale of leases; (c) scheduling a sale hearing on February 17, 2016, at 10:00 a.m. and approving notice thereof (the "Bidding Procedures Order", annexed hereto as **Exhibit A**); and (d) approving the auction results and authorizing the sale of Assets.

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion or the Select Lease Purchase Agreement.

² The Motion initially contemplated a simultaneous auction for (i) all the Debtor's assets on a going concern basis, (ii) the liquidation sale of substantially all of the Debtor's assets, and (iii) the sale of the Debtor's store leases. The Court approved the Debtor's subsequent bifurcation of the Motion at a hearing held on January 26, 2016, and the Debtor proceeded with an auction solely for going concern buyers and liquidation on February 2, 2016. The successful liquidation bidder at the February 2 auction was Gordon Brothers Retail Partners, LLC [Dkt. No. 121].

PLEASE TAKE FURTHER NOTICE THAT at a hearing held before the Honorable Robert D. Drain, United States Bankruptcy Judge on February 3, 2016, the Court authorized the Debtor to proceed with the re-noticing of the auction for the sale of the Debtor's commercial store leases and intellectual property, with such auction to be held on February 16, 2016, at 10:00 a.m.

PLEASE TAKE FURTHER NOTICE THAT revised Bidding Procedures for the sale of leases and intellectual property are attached as Exhibit 1 to the Bidding Procedures Order.

PLEASE TAKE FURTHER NOTICE that the Auction includes the sale of real property leases in combination or separately, together with the Debtor's intellectual property free and clear of all claims, interests and Liens pursuant to sections 363 and 365 of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that any bidder that desires to make a bid at the Auction must deliver written copies of its bid to the Bid and Objection Notice Parties (defined below) so as to be received not later than **5:00 p.m. prevailing Eastern time on February 11, 2016**, unless extended by the Debtor in its discretion for good cause, in consultation with the Creditor's Committee (the "**Bid Deadline**").

PLEASE TAKE FURTHER NOTICE that the Auction will be held at **10:00 a.m. prevailing Eastern Time on February 16, 2016** at the offices of the proposed counsel for the Official Committee of Unsecured Creditors, Cooley LLP, The Grace Building, 1114 Avenue of the Americas, New York, NY 10036, or such other location as the parties may agree upon, pursuant to additional notice to be provided.

PLEASE TAKE FURTHER NOTICE that the Motion seeks authority to assume and assign non-residential real property leases. The deadline to file objections to the Cure Amounts has already passed. The Debtor has prepared an Amended Cure Schedule that is annexed hereto as **Exhibit B**.

PLEASE TAKE FURTHER NOTICE that a hearing to consider, among other things, approval of the Auction results including approval of the Select Lease Purchase Agreement or an Alternative Transaction Agreement with the party or parties submitting the highest or otherwise best bid at the Auction, will be held at **10:00 a.m. prevailing Eastern Time on February 17, 2016** before The Honorable Robert D. Drain, United States Bankruptcy Judge, in Courtroom 118, 300 Quarropas Street, White Plains, New York 10601, or as soon thereafter as the Debtor may be heard (the "**Sale Hearing**"). The Sale Hearing may be adjourned or rescheduled by the Debtor, with the consent of the Creditor's Committee, without further notice by an announcement of the adjourned date at the Sale Hearing or by the filing of a hearing agenda.

PLEASE TAKE FURTHER NOTICE that objections to the proposed approval of the sale must be in writing, conform to the Bankruptcy Rules and the Local Rules of the Bankruptcy Court, and be filed with the Bankruptcy Court and served upon: (a) the proposed counsel to the Debtor, Goldberg Weprin, Finkel Goldstein LLP, 1501 Broadway, 22nd Floor,

New York, New York 10036, Attn: Kevin J. Nash; (b) counsel for the Official Committee of Unsecured Creditors, Cooley LLP, 1114 Avenue of the Americas, New York, New York 10036, Attn: Jay R. Indyke and Seth Van Aalten; (c) the U.S. Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, New York 10014, Attn: Susan Golden; and (d) counsel to Madrag, Rosen & Associates, P.C., 747 Third Avenue, New York, New York 10017, Attn: Nancy Kourland, so as to be received by **February 17, 2016, at 10:00 a.m.**

PLEASE TAKE FURTHER NOTICE THAT THE FAILURE TO ABIDE BY THE PROCEDURES AND DEADLINES SET FORTH IN THE BIDDING PROCEDURES ORDER AND BIDDING PROCEDURES MAY RESULT IN THE FAILURE OF THE COURT TO CONSIDER A COMPETING BID OR AN OBJECTION TO THE PROPOSED SALE TRANSACTION.

PLEASE TAKE FURTHER NOTICE that the Motion, Select Lease Purchase Agreement, and any other pleadings may be found at the website of the Debtor's Claims and Noticing Agent, Rust Consulting / Omni Bankruptcy, at <http://www.omnimgt.com/joyceleslie/> or, for a fee, at the Court's website, <http://www.nysb.uscourts.gov>.

Dated: New York, New York
February 5, 2016

Respectfully submitted,

/s/ Kevin J. Nash
Kevin J. Nash
Evan M. Lazerowitz
Goldberg Weprin Finkel Goldstein LLP
Proposed Counsel for the Debtor
1501 Broadway, 22nd Floor
New York, New York 10036
Telephone: (212) 221-5700
KNash@gwfglaw.com

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